

National Military Family Association, Inc



For More Than Thirty Years — The Voice for Military Families

6000 Stevenson Avenue, Suite 304

Alexandria, VA 22304-3526

(703) 823-NMFA • Fax: (703) 751-4857

<http://www.nmfa.org> • e-mail: families@nmfa.org

Statement of

JOYCE WESSEL RAEZER

Associate Director, Government Relations

The National Military Family Association

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of the

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of the

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The National Military Family Association (NMFA) is the only national organization whose sole focus is the military family and whose goal is to influence the development and implementation of policies which will improve the lives of those family members. Our mission is to serve the families of the Seven Uniformed Services through education, information and advocacy.

Founded in 1969 as the Military Wives Association, NMFA is a non-profit 501(c)(3) primarily volunteer organization. NMFA today represents the interests of family members and the active duty, reserve components and retired personnel of the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

NMFA Representatives in military communities worldwide provide a direct link between military families and NMFA staff in the nation's capital. Representatives are the "eyes and ears" of NMFA, bringing shared local concerns to national attention.

NMFA receives no federal grants and has no federal contracts.

NMFA has been the recipient of the following awards:

Defense Commissary Agency Award for Outstanding Support as Customer Advocates (1993)

Department of the Army Commander Award for Public Service (1988)

Association of the United States Army Citation for Exceptional Service in Support of National Defense (1988)

Military Impacted Schools Association "Champion for Children" award (1998)

Various members of NMFA's staff have also received personal awards for their support of military families.

NMFA's web site is located at <http://www.nmfa.org>.

JOYCE WESSEL RAEZER **Associate Director, Government Relations**

Joyce was promoted to Associate Director, Government Relations for the National Military Family Association in December 2000. She started her volunteer work at the Association in September 1995 and became Education Specialist in 1996. In February 1998, she was selected for the paid position of Senior Issues Specialist for the Association and was named Deputy Associate Director of the Government Relations Department in June 1999. Joyce monitors issues relevant to the quality of life of the families of the Uniformed Services and represents the Association at briefings and meetings of other organizations, Members of Congress and their staffs, and members of the Executive branch. She has represented families on several committees and task forces in the Department of Defense Education Activity (DoDEA) and the TRICARE Management Activity (TMA). She served as a beneficiary representative, from September 1999 to December 2000, on a Congressionally mandated Federal Advisory Panel on DoD Health Care Quality Initiatives. She served on the planning committee for the national conference on Serving the Military Child held October, 1998 in Arlington, VA. In June 1999, Joyce was elected to the first national Board of Directors of the Military Child Education Coalition. Joyce serves as co-chair of the Personnel, Compensation and Commissaries Committee of The Military Coalition.

Joyce was the 1997 recipient of NMFA's Margaret Vinson Hallgren Award for her advocacy on behalf of military families and the Association. She also received the "Champion for Children" award from the Military Impacted Schools Association in 1998.

A Maryland native, Joyce earned a B.A. in History from Gettysburg College, Gettysburg, Pennsylvania and a M.A. in History from the University of Virginia. An Army spouse of 18 years and mother of two children, she has lived in Washington, D.C. (3 tours), Virginia, Kentucky, and California. She is a former teacher and is an active volunteer school parent. She was elected to the Fort Knox (KY) Community Schools Board of Education in 1993 and served until August 1995. She currently serves on the PTA board for her son's school in Fairfax County, Virginia.

QUALITY OF LIFE ISSUES FOR MILITARY FAMILIES, MARCH 2001

Distinguished members of the Subcommittee, the National Military Family Association (NMFA) is honored to have the opportunity to join this panel of military spouses today to discuss the quality of life of military families. NMFA is grateful to the Congress for continuing the efforts begun two years ago to end the erosion in quality of life that has contributed to the military Services' recruiting and retention challenges. Of particular importance were:

- Provision for a 3.7 percent pay raise, payable January 1, 2001 and for targeted raises for mid-grade enlisted personnel, effective July 1, 2001
- Funding increases for the Basic Allowance for Housing with the goal to eliminate average out-of-pocket costs by 2005
- Health care benefit improvements for active duty families such as the elimination of co-payments for active duty family members in TRICARE Prime, the addition of a Prime-like benefit for active duty families in remote locations, and the addition of school physicals as a TRICARE benefit
- Health care benefit improvements for the retiree population such as the reduction in the catastrophic cap, the creation of a pharmacy benefit for Medicare-eligible military beneficiaries, and the restoration of the promise of lifetime care for military retirees and their dependents with the creation of TRICARE for Life.

We are also grateful to this Subcommittee for its appropriation of additional military construction funds for family housing, child development centers, fitness centers, and Department of Defense schools. We thank you for your continued vigilance over the services' implementation of the family housing privatization initiative and for your concern about the resources available for the repair and maintenance of family housing, barracks, and other quality of life facilities. We also appreciate your concern for safe, quality family housing overseas, as evidenced by your mandate for the installation of sprinkler systems in all stairwell housing in Germany.

NMFA believes that the most important message we can bring to you today is that the momentum begun with the actions of the 106th Congress must be sustained in addressing the critical issues facing military families and their communities—pay, housing, health care, family support, and education for our children. The families we represent, including our 120 installation representatives who report to us on a regular basis, say they recognize the good that the recent improvements will bring. They also tell us, however, that we are not out of the woods yet. Several concerns continue to take their toll: a continuing civilian/military pay gap, a decaying housing and workplace infrastructure, ongoing deployments and high perstempo that increase family separations, a health benefit that changes based on where one lives and how much money is available for the system, and a military move process that disrupts a spouse's career and a child's education while frequently draining a family's savings.

Communities are not just bricks and mortar, but living organisms. The military community has been the stabilizing force for military families coping with their mobile lifestyle. As more young people with families are recruited into the military, as families are

separated more and more often by frequent deployments, as Service housing strategies encourage an increased reliance on off-base housing, the importance of the military community increases. With changing circumstances, a changing definition of the kind of support needed by that community might also be needed.

Military Families Today—Who Are They?

The all-volunteer military today is predominantly a young, married force with children. Currently, 55 percent of the military is married; 56 percent of the married population is between the ages of 22 and 29. Studies show that military members tend to marry younger, begin to have children at a younger age, and have larger families than their civilian peers. Nearly one million children, or 73 percent of all military children, are under age 11; 40 percent are five years of age or younger. Approximately 6 percent of military members are single parents, ranging from a low of 3 percent of Marines to a high of almost 8 percent of Army members. Sixty-three percent of all spouses are in the labor force, including 87 percent of junior enlisted spouses (E-1 to E-5).*

Quality of Life Components for the Military Family

Relocation

One of the primary challenges facing military families is the frequency with which they move. Moving and unemployment rank among the top five stress producers in the population as a whole along with the death of a family member, loss of a spouse, and natural disasters. Military families move on average every 2.9 years; the civilian average is twice that figure. No other employer moves its youngest employees with the frequency that the military moves its junior servicemembers.

Moving is a fact of life for military families. Unfortunately, losing money whenever they move is just as predictable a fact for military families. A 1999 DoD survey of Permanent Change of Station (PCS) moves found that servicemembers reported average out-of-pocket expenses of over \$1,100 with each move. The average reimbursement for **reimbursable expenses** was only 62 cents on the dollar; for junior enlisted members, only 27 cents. These rates do not include the loss of either the spouse's job or the servicemember's second job that helped the family make ends meet. They do not include the extra expenses such as house hunting trips that are not reimbursed.

NMFA urges DoD and the Services to institute a more user-friendly move process based on the information gathered from the current array of pilot move projects. Military members must also be compensated at a more realistic level for their moving costs. Legislative changes in the FY 2001 NDAA addressed some concerns by authorizing temporary lodging expenses for enlisted members going to their first duty station, increasing the dislocation allowance for E-1 to E-4s with dependents to the E-5 rate, and authorizing servicemembers on PCS moves to receive advance payment for their travel allowances, thus enabling them to avoid incurring large credit card debt. The families sent to locations with

* Demographic information has been obtained from the Profile of the Military Community: 1999 Demographics, prepared for the Deputy Assistant Secretary of Defense for Military Community and Family Policy by the Military Family Resource Center, available at www.mfrc.calib.com.

costly pet quarantines are also grateful for the authorization of a \$275 allowance to help cover quarantine costs. We believe, however, that families will continue to foot the bill for too many legitimate reimbursable expenses unless the rates for mileage, per diem, and temporary lodging expenses are raised to reflect today's costs. These rates have not been adjusted since the mid-1980s and thus do not reflect families' actual travel and lodging costs.

Another unique aspect of a military move is the unpredictability. NMFA hears from families about orders being changed or not issued until the eleventh hour. In the 1999 PCS survey, 20 percent of the participants reported receiving less than 30 days notice before the move and about 11 percent reported having a change in the assignment after getting their initial orders. Last minute switches place an additional burden on the spouse who typically is the one to research schools and neighborhoods, find a new job, and reassure the children that they will indeed fit in at the new location. Although online relocation information provided by the Services may help reduce anxiety and enable families to prepare for the move, NMFA believes the personnel system still has room for improvement in its ability to forecast assignments, particularly follow-ons from unaccompanied tours.

Spouse Employment and Readiness

Another fallout from the frequent military move cycle is the loss of family income due to the military spouse's loss of employment. The loss of the spouse's income at exactly the time the family is facing hundreds of dollars in additional expenses is exacerbated when a spouse is unable to collect unemployment compensation due to provisions of state laws. In many states, the military spouse is not eligible to collect unemployment compensation when the change of jobs is due to the servicemembers' change of duty location. States frequently determine that the decision of a military spouse to move with the servicemember is a "voluntary quit" and thus they deny the benefit.

"Trailing spouses" face other difficulties after the move experience is over and boxes unpacked. Despite the existence of highly touted DoD and Service spouse employment programs, many spouses still report problems finding jobs commensurate with their skill and experience levels or even any job at all. In 1999, 46 percent of installation commanders reported that availability of jobs for spouses was a problem in their communities. Because of the high costs of the military move, many spouses are forced to take the first available job just to make ends meet, regardless of how it furthers their career. When the spouse's earnings suffer as a result of the military member's service, the member's career intentions decline. The prospect that the spouse would have to give up a good job—found with difficulty—and start over again after the next move may prompt a family decision that the servicemember should leave the military.

NMFA has heard from spouses for years about the problems they faced in navigating the DoD personnel system. In recent testimony before the Defense Subcommittee of the Senate Appropriations Committee, the Chief Nurses of both the Army and Navy discussed their program's difficulties with the personnel system in ways very familiar to military spouses. According to BG William T. Bester, Chief of the Army Nurse Corps,

Government hiring practices are archaic, cumbersome, and threaten human resource availability. Wages are set by law and not easily adapted to market forces.

We must have the flexibility to develop and implement accession programs that meet the current critical need for the swift hiring of highly qualified candidates.

If the Army Nurse Corps can't work the system, how can we expect a young military spouse to navigate their way?

While still having work to do on its own personnel system, DoD has made strides in seeking corporate partnerships and is working with corporate sponsors to establish training and employment programs for military spouses. NMFA applauds the department's efforts to establish procedures to use scholarships and child care subsidies from industry for military spouses. The department is also investigating how to help spouses obtain certification, whether in a trade or a professional field. DoD has eased one group of military spouses' job placement difficulties over the past year: DoD schools now have policies in place that encourage the hiring of qualified military spouses for open teaching positions.

Education for Military Children

Military children are our nation's children. Whether they attend Department of Defense schools, civilian public schools, private schools, or are home schooled, they deserve a quality education. Today's military force is an educated force and military members have high expectations for their children's education. More are accepting or rejecting assignments, or even deciding to leave the military, based on perceptions about the quality of education their children will receive at prospective duty stations.

Even when transferring to schools with the best reputations, military children often face hurdles in getting placed in proper programs, getting involved in extracurricular activities, and transferring grades and credits for graduation. Their parents are often frustrated because they do not understand how to navigate the new system's procedures and policies in order to provide proper input on their children's education. The increase in state accountability systems and high stakes testing, each with different standards, can also make transferring from school to school difficult for military children. NMFA applauds DoD's creation of the Educational Opportunities Directorate to address the needs of all military children wherever they go to school. The Directorate is currently conducting a series of roundtables in states with high military populations to raise awareness of issues affecting the mobile military child among parents, state and local educational leaders, and installation officials. The military Services are dedicating more efforts to improve communication with local school districts, institute partnerships between units and local schools, and provide assistance for parents in navigating school district chains of command to obtain the proper educational services for their children.

NMFA thanks this Subcommittee for its support of schools operated by the Department of Defense Education Activity (DoDEA). The addition of funding for three schools in Korea last year will speed up the implementation of DoDEA's full-day kindergarten and reduced class size initiatives. The average age of DoD schools is 37.5 years; many schools do not have the space, wiring, or specialized classrooms and labs staff needs to provide a comprehensive educational program. Pending realignments of Service personnel and activities, such as the Navy's proposal to send additional personnel to Guam will create a strain on facilities.

We encourage the Subcommittee to consider funding additional military construction and renovation needs in the system, as well as to provide necessary maintenance funds. Like the rest of the Department of Defense, DoD schools have accumulated a backlog in repair and maintenance, the result of years of unrealistic budgeting and diversion of funds toward other priorities. Late last fall, the Superintendent of the DoD Domestic Schools (DDESS) district at Fort Bragg, NC briefed the district's school board that maintenance was "eating up the budget."

Because approximately 80 percent of military children attend civilian public schools, NMFA is also grateful to the Congress for its support of quality education for these children and their civilian classmates. Appropriations for the DoD Impact Aid Supplemental Funding helps those districts most affected by the military presence. We also thank this Subcommittee for its interest in the facility needs of both civilian and DoD schools that educate military children, especially those schools educating large populations of military special needs children. In its report for the FY 2000 Military Construction Appropriations (House Report 106-266), the Conference Committee instructed DoD to study "the adequacy of special education facilities and services available to the dependent children of uniformed personnel stationed in the United States." In many locations, especially near major medical centers, the military family special needs population can tax both school and community support systems, requiring extensive coordination between EFMP staff, schools, medical facilities, and other community resources. NMFA has been concerned about the impact on school districts of larger-than-normal concentrations of military special needs children caused by the Services' compassionate assignment policies. We hope this report has been forwarded to the committee and that it will provide information on the facility and program resource needs of schools charged with educating this very vulnerable population.

Child Care

In ten years, the military has transformed its child care system from one of the nation's worst to what has been called a model for the nation. A military force often asked to go in harm's way needs to be able to go to work and not worry about what is happening to their children. We thank this Subcommittee for providing for additional military child development centers each year.

Although we believe that families' cost for military child care are still reasonable given the quality found in military child development centers, NMFA does see some challenges for DoD in meeting child care needs without breaking the bank. DoD must continue to build new child development centers where needed, and increase efforts to recruit and train more family care providers. Family day care providers are an alternative for families when child development centers are full or for military members needing after-hours care. The FY 2000 NDAA allowed DoD to "provide financial assistance to an eligible civilian provider of child care services or youth programs." DoD and the Services need to fully utilize this authorization to increase the availability of child care.

Military Family Health Care

Military families appreciate the health care improvements contained in the FY 2001 NDAA and thank the Congress for addressing many of the issues they have raised about the military health care benefit. By restoring the promise of lifetime health care to Medicare-eligible military beneficiaries through TRICARE for Life and the senior pharmacy program, Congress also told current servicemembers and their families that their own service to the nation is appreciated and that the government will continue to show it values that service even after the member retires. By eliminating co-payments for active duty family members in Prime and by establishing a Prime-like benefit for all remotely-assigned active duty family members, you moved us closer to achieving a uniform benefit.

However grateful we are for the important benefit improvements in the NDAA and for the opportunity for beneficiary input provided by DoD, NMFA remains apprehensive about the estimated \$1.4 billion deficit in this year's Defense Health Care budget. In recent testimony before the Defense Subcommittee of the House Appropriations Committee, the Service Surgeons General stated that their military treatment facilities would have to cut back on operations this summer unless supplemental funding was provided. They also discussed the significant repair and maintenance backlogs and the infrastructure needs of their facilities.

Dr. Jared Clinton, Acting Assistant Secretary of Defense for Health Affairs, testified that the elimination of co-payments for active duty families and the expansion of the TRICARE pharmacy benefit to Medicare-eligible military beneficiaries are on target for their April 1 implementation and the implementation of TRICARE for Life as a second-payer to Medicare will begin on schedule October 1. Dr. Clinton also noted, however, that implementation of several benefits that became effective with the passage of the NDAA may have to be delayed because of lack of funding. These benefits include the reduced catastrophic cap, the school physical benefit, and the reimbursement for travel expenses for active duty families in TRICARE Prime who must travel over 100 miles for specialty care. Dr. Clinton has also stated to beneficiary association representatives that funding issues may delay the planned summer roll-out of the National Enrollment Database, a key component in DoD's efforts to reduce the portability problems families face as they move from one TRICARE region to another.

NMFA is grateful for the FY 2000 NDAA Congressional mandate and DoD's response in implementing the new Women, Infants and Children Overseas (WIC-O) Program. Since January 2001, the TRICARE Management Activity with the cooperation of the Defense Commissary Agency and command and local installation family support personnel has implemented WIC-O in 5 overseas areas. After years of hearing from military families who lost access to this federally-funded, but state run, program because the military was sending them overseas, NMFA is excited that this valuable nutrition program is now available to at least some families. We are concerned that funding shortfalls in the Defense Health Program, the funding agent for WIC-O, will delay the program's proposed implementation timeline beyond the late summer target.

Beneficiaries rarely complain about the quality of care they receive in the military health system. Many do complain about accessing appropriate care in a timely manner. The DoD Healthcare Quality Initiatives Review Panel, a federal advisory panel chartered by Congress in P.L. 105-174 to assess quality initiatives in the military health system, recently sent its report to Congress. In its chapter on Beneficiary Communications, the panel concluded: "To beneficiaries, the issue of quality of healthcare cannot be separated from a discussion of access and the robustness and uniformity of healthcare benefits." Although the improvements in TRICARE procedures and the benefits added in the NDAA will improve access for many beneficiaries, program-funding issues could provide additional constraints.

NMFA urges Congress and DoD to work together to obtain an adequate, sustainable funding level for the Defense Health Program. This funding not only is needed to provide the newly-implemented benefits, but also to sustain the ongoing functions of the program, implement WIC-O at all locations overseas, and maintain and improve the infrastructure in military treatment facilities (MTFs).

Supporting Families for Readiness

As NMFA has testified in the past, a variety of factors place and keep young military families on the financial edge:

- Frequent PCS moves
- Transportation expenses
- Out of pocket housing costs
- A lack of comprehensive financial education, either before the member enters the military or for both servicemember and spouse once in the military, making the family more vulnerable to consumer scams, unable to budget properly, or make the best spending and saving decisions
- Poor access to affordable credit
- Frequent deployments or the threat of deployments that cause either a loss in the family's second income or increase child care costs
- The consequences of recruiting someone with a family and expecting them to live on a salary more appropriate for a single person in the barracks.

Many young couples must cope with the demands of building a strong relationship amid periods of financial instability. Young military couples must build that relationship far from home and family while adjusting to the demands of the military mission and learning the military culture. NMFA believes that DoD and the Services must provide young families with the tools they need to handle the disruptions so common in military life so that the servicemember can perform the mission.

Young families need to feel a part of the larger military family community, to be drawn in and supported in their transformation from civilian family to military family. NMFA encourages outreach efforts by installation family service personnel and other program staff to reach young families unfamiliar with both the military lifestyle and the benefits that come with service. For example, we applaud the efforts of family service and commissary staff to educate both single servicemembers and young families about the

value of the commissary benefit by holding special information events and commissary tours. The Defense Commissary Agency's best value program and other initiatives to reduce prices have resulted in average customer savings of 29 percent.

NMFA also commends the increased DoD and Service efforts to improve both the amount of and quality of financial education offered to servicemembers. We are encouraged by Service interest in including spouses in financial education and teaching them how to fulfill their responsibilities for managing family finances when the servicemember is deployed.

As operations, deployments, and training missions continue at a high pace, the military family's lifeline—its community—feels the strain. Family services are important even to an installation not pressured by a high perstempo. Family centers, military chaplains, and installation mental health professionals help ease the transition to the military environment for newly arrived families, provide financial counseling and other services, offer programs for families in the Exceptional Family Member Program, and sponsor meaningful activities for military youth, especially in the vulnerable preadolescent years. Additional services set up to support families when units deploy include counseling services, email and video teleconferencing centers, and special family activities. These services both ease the strain of deployment for families left behind and reassure the servicemember that the family has a support network on which to call.

The availability of well-maintained, easily accessible family service and MWR facilities improves the quality of life of the military community and indicates to the family that the programs housed there and the people served are important. Continued funding is needed to move family support services out of trailers and old barracks, to make existing buildings handicapped accessible, and to provide a safe environment for military youth. NMFA thanks this Subcommittee for showing your respect for the military community and its people by providing construction funds for family centers and other support facilities (See Appendix 1).

NMFA notes that the services have done a magnificent job in supplying e-mail communication, education programs, and a wide array of Morale, Welfare, and Recreation (MWR) programs for forward-deployed units. Some of those servicemembers have deployed from installations in Europe. Their family members left behind at many of those installations tell NMFA of cutbacks in MWR services in their communities because of tight budgets or the inability of program managers to hire employees at current pay scales. USAREUR Commander General Montgomery Meigs spoke to the press last year of problems funding quality of life programs in his communities: "In USAREUR, we fund training at 100 percent, and frankly we don't have enough for quality of life." Families talk of unpredictable or shortened hours at bowling alleys, swimming pools, and other recreational facilities used heavily by military children. While families understand the importance of quality programs for deployed servicemembers in Bosnia, they ask that money be found so their commanders can also help the spouse in stairwell housing in Germany trying to keep the children occupied until the deployment is over.

What about the “ones and twos?”

Although family support programs have generally worked well when whole units are deployed, NMFA continues to hear from the families of the “ones and twos”—the active duty and reserve component members deployed singly or in small groups or who are assigned overseas for a year-long unaccompanied tour. These families often do not have a readily available support network. The lucky families live on an installation, with an ongoing relationship with a local unit, when the servicemember deploys. Many others, however, find themselves isolated in a civilian community without access to military support networks.

Reserve Family Support

Men and women of the National Guard and Reserve contribute more than 13 million duty days to missions and exercises. Ten years ago when reserve forces had about 22 percent more personnel, they averaged approximately 1 million duty days. Just like their active duty counterparts, the Guard and Reserve are doing more with less. The integration of reserve components into the Total Force includes their families. Now more than ever, reserve component families are dealing with extended overseas deployments and for some on a fairly continual basis.

Another unique aspect of family support in the reserve component is the geographic dispersion of the members and their families. Unlike the active component divisions that are usually co-located on one installation, most reserve component divisions are spread over many states. The family does not usually have the military community support or even the recognition in their civilian community that the servicemember is deployed. In these cases, truly, “an ounce of prevention is worth a pound of cure.” Reserve family members’ awareness of their rights and benefits before the deployment and how to access information and support during deployment are essential to the unit’s readiness.

Housing: a 3-Prong Approach

Although most military families stationed in the United States find housing in civilian neighborhoods, they still look to the installation as their source of “community.” In his testimony before this Subcommittee, Paul Johnson, Deputy Assistant Secretary of the Army (Installations and Housing) explained why families willingly endured a long wait on a list even for substandard housing:

Soldiers and their families often prefer to live in “unsuitable” on-post housing because of better security, stable environment, less commuting time, proximity to support services and facilities, familiarity and camaraderie. Commanders also prefer on-post housing to increase unity cohesion and morale, as well as operating efficiency.

Prong 1: BAH

Cost and, in many locations, the lack of affordable housing outside the gate, drive many families’ decision to move onto the installation. Families living off-base depend on

the Basic Allowance for Housing (BAH) to acquire quality, affordable housing in safe neighborhoods (with good schools) at a reasonable commute from the installation. BAH is the first of DoD's three-prong approach to addressing the housing needs of servicemembers and their families. NMFA thanks Congress for the repeal of the mandate requiring servicemembers to pay 15 percent of their housing costs out of pocket. We also applaud the beginning of funding toward a five-year plan to eliminate out of pocket housing costs.

NMFA was pleased with DoD's efforts this year to improve the accuracy of the housing cost surveys used to determine BAH. Installation commanders and their housing officials worked with the DoD contractor to identify appropriate neighborhoods for servicemembers and their families and obtained additional information on utility rate increases in the late fall before making final BAH calculations. We do remain concerned, especially given recent utility hikes, that BAH may need to be more flexible, to respond to cost changes that could have a negative impact on family finances.

Although the plan to eliminate out of pocket housing costs is admirable, NMFA fears that the rhetoric may not always match reality. BAH is based not only on the costs of renting and paying utilities on a dwelling, but also on a DoD standard set for each rank. The standard used for determining the rent for an E-5, for example, is a two-bedroom townhouse; therefore, an E-5 with three children who is renting a three-bedroom single-family detached house will still have out of pocket housing costs even after the buy-down is complete in 2005. NMFA believes the DoD housing standard is not commensurate with current civilian housing standards or with the level of responsibilities shouldered by military personnel. For example, the current standards provide that among enlisted servicemembers, only E-9s receive BAH to cover the cost of renting a three-bedroom single-family detached house.

If the standard is left unchanged, servicemembers will probably continue to have out of pocket housing costs despite the well-publicized promises to the contrary. In the FY 2001 NDAA, Congress raised the standard slightly for the most junior enlisted, E-1s to E-3s, to a level between the E-3 rate (two bedroom apartment) and the E-4 rate (two-bedroom townhouse). NMFA urges the Congress to direct DoD to do an across-the-board review of the standard's appropriateness across all ranks.

Prong 2: Privatization

Since the law creating the housing privatization authorities was first passed, NMFA has regarded the concept of privatization as perhaps the only way to meet the housing needs of military families in a timely manner. We know the need. We have seen and lived in the houses that are a part of the repair and renovation backlog of almost 200,000 units worldwide. We know how far this housing is from today's standards, especially for our special needs family members. We have seen the housing available outside the gate in many communities. Families who cannot get into base housing end up living in slum conditions because they cannot afford the transportation necessary to live farther from the installation. In his recent testimony before this Subcommittee, Randall Yim, Deputy Under Secretary of Defense (Installations), stated that DoD would need \$16 billion and

more than 30 years to eliminate the backlog using traditional military construction funding. Using privatization would substantially solve the problem in much less time, although probably not by DoD's target date of 2010.

Although we see the need for the infusion of private capital to revitalize military housing, NMFA has watched early privatization efforts with some concerns:

- Where are the standards for oversight of the development process and the outcome measures to gauge a project's long-term costs and benefits?
- Who provides oversight of housing management and maintenance?
- What is the role of the installation commander?
- How is community input sought and used in the process?
- Who is the advocate for family members living in the housing?
- How are the projects' effects on servicemembers' budgets and community services evaluated and calculated into project plans?
- Where is the priority for preserving the things that make a "military community" strong when the military no longer "owns" the houses in that community?

Although we understand the need for project flexibility to meet the needs of local installations and communities, NMFA asks Congress to continue its oversight of the privatization process and work with DoD and the Services to establish a common core set of standards and outcome measures for privatization projects. We were encouraged by Mr. Yim's discussion of the development of the Program Evaluation Plan as a tool to evaluate financial and management information about privatization projects.

Mr. Chairman, NMFA shares the concerns you have voiced on how best to guarantee a contractor's performance over the long-term. We believe that oversight is essential, not only to look after the government's interest, but also the interests of the families who live in the privatized housing. We know that part of the current housing crunch can be laid to the fiscal irresponsibility of the services in not properly maintaining their real estate and infrastructure. We also know that one of the biggest frustrations for military families is the lengthy and inadequate response to requests for maintenance. NMFA has feared that under privatization developers would renovate and build housing and then depart leaving a new company to manage the housing. If the Services' oversight of developers mirrors their own care of housing, we could foresee families caught in the vise of the new management company blaming failures on the construction company, the Services blaming both, and families left with the residual mess.

NMFA is pleased that this Subcommittee is committed to keeping the integrity of the military community intact. It is imperative that the installation commander has authority over both the military aspects of the installation and the needs of its residents. A commander should be able to place an incoming family with a special needs member at the top of the housing list; ensure the housing, both inside and out, meets the community standards of an installation; and have the authority to evict families who disrupt the peace of the community. We also believe the privatization initiative should not be viewed as absolving installation commanders of the responsibility for their servicemembers and families, especially regarding safety issues. We have seen problems in earlier examples of

private construction and maintenance of military family housing when commanders would not intervene to maintain discipline standards in housing outside the gate. We also note disagreements over whether the military or civilian authorities have jurisdiction over the military family housing located off-base. These jurisdictional issues may prohibit the commander from using military police and fire fighters to assist the local community in providing for the public safety in the off-base privatized housing neighborhoods.

Many military families move on-base because they want to be part of a safe, secure community. Many developers of privatized housing projects are working with families and installation leaders to create community plans that include open space, walking paths, playgrounds, community centers, and other ancillary facilities. A key component of the Army's Residential Communities Initiative (RCI) is the involvement of community members in the formulation of the Community Development and Management Plan. The plan not only addresses the placement of houses and layout of streets, but also covers what type of house is designed, who mows the lawns, and where people can park their cars.

The military community, although centered on the installation, has traditionally not just included the people who lived in base housing. The installation is also the focal point for active duty families who live off the installation and for military retirees living nearby. Installation facilities and services have generally been open to people carrying an ID card—active duty, family member, retiree. When developers build new facilities as part of the privatization agreement, who will be allowed access? In recent years, many installations have consolidated clubs and other facilities and opened them to all ranks. With privatization, will we now have facilities open to “residents only” and closed to other community members? The privatized family housing at Lackland Air Force Base, provides comfortable, modern housing for enlisted families within the safety of the installation fence. The new community has playgrounds and a large community center with a swimming pool. Military families tell NMFA, however, that families living just across the street in housing that will be privatized in a future project—also within the installation gate—are not allowed to use the center or the pool (See Appendix 2).

NMFA is gratified that some attention is being paid to the needs of the community, both on and off the installation, when new housing is to be built. Changing transportation needs, recreational needs, and child care options should be part of the decision-making process with each of these projects. The educational needs of military children and the local school district's ability to meet those needs are of paramount importance to a successful privatization initiative. We are encouraged that service officials now can articulate the link between the ownership of the land and federal Impact Aid funding for schools serving military children. Impact Aid, however, provides money school districts use to pay the operating expenses—teachers' salaries, utilities, textbooks—for educating these children. It will not cover the cost of building the school that is needed when the installation's housing stock is increased under privatization arrangements.

Fort Meade, Maryland is the third of the Army's RCI projects. It houses servicemembers and their families stationed at Fort Meade and throughout the Military District of Washington. Because of the lack of affordable housing for junior and mid-

grade enlisted servicemembers with families in the Washington, DC area, the Fort Meade project calls for the replacement of some 2-bedroom homes with 4-bedrooms and the construction of an additional 200 4-bedroom homes. When told of these plans and the projected construction timeline of less than 5 years, school district leadership stated that the existing elementary school serving the fort would not have the capacity to handle the increased enrollment. Told that there was not money in the plan to help with school construction, one school board member responded to the installation leadership: "In five years, we will need a new elementary school on Fort Meade to serve the increased population in the privatized housing. Anne Arundel County has a five-year school construction and renovation plan. There is no new Fort Meade Elementary School in our five-year plan." NFA asks, "Where is the planning collaboration and coordination between the military installation and the surrounding community?"

Districts concerned about the impact of privatization projects on school capacity are often told that there is not enough money to assist with school construction. Because developers will only be receiving servicemembers' BAH, they will not have the capital to help fund construction. Despite the inclusion of schools in the list of ancillary facilities that may be incorporated in privatization projects, school districts are sometimes told that neither Service nor developer funds can be used for school construction. School districts respond to the Services: "If you were any other developer, we would be forcing you to provide money for community infrastructure such as schools as a condition of receiving permission to build." DoD may soon face its own school construction dilemma. Next on the Army's project list are Forts Bragg and Campbell, both of which have DDESS schools.

We also caution installation leaders to be aware of some unintended consequences of privatization on both family budgets and school district funding. The law requires that servicemembers living in privatized housing be paid BAH, which is then turned over to the developer as rent. Eligibility for safety net programs administered by the U.S. Department of Agriculture such as food stamps; the Women, Infants, and Children (WIC) nutrition program; and free and reduced price school lunches is based on a family's total income. When an installation's housing is privatized and servicemembers start receiving BAH, the total income as indicated on the Leave and Earnings Statement (LES) seems to have increased, even though the BAH is turned over to the developer. Many servicemembers then lose eligibility for safety net programs. Press reports state, for example, that two-thirds of the families receiving food stamps on Fort Carson lost their eligibility once the housing was privatized. When families lose eligibility for free and reduced school lunches, their local school can also lose other funding. Federal Title 1 and E-rate technology funding as well as state poverty funding is based on a school's poverty rate, which in turn is based on the percentage of children receiving free and reduced lunches. Fountain-Fort Carson District 8, a district of approximately 4,900 children, reports that it received \$400,000 less in funding from these sources in the year after installation housing was privatized and servicemembers on Fort Carson began receiving BAH.

Prong 3: Military Construction

NMFA believes that the third prong of housing improvement, the use of military construction funds, must remain as a viable, well-funded option. Some areas, either

because of the location, the local economy, or unique needs of the installation, will continue to require military construction funds to build or renovate family housing. It is imperative that these areas receive the funding they need, not just for housing but also for the underlying infrastructure. A recent article in the *Honolulu Advertiser* (2/26/01) described military housing challenges in Hawaii, but also highlighted extensive improvements. Navy junior enlisted families praised the new housing which featured wooden cabinets, ceramic tile entryways, and steel framing to battle termites. Unfortunately, this wonderful new housing was built on an old worn-out sewer line. One sailor described his new home as “great,” but said: “What we don’t like is it is the same old neighborhood and the sewer lines are 30 years old. They back up.”

NMFA hopes that the expansion of privatization initiatives in CONUS will free up valuable military construction funds for overseas communities. Although progress has been made in some communities—military families praise the renovations in stairwell buildings that add laundry rooms to apartments—much needs to be done to improve the quality of life for servicemembers and their families overseas. In recent testimony before this Subcommittee, the Service Senior Enlisted members identified Korea and Germany as the overseas areas most in need of additional military construction funding. Sergeant Major of the Army Jack Tilley spoke of his recent visit to Army members in Korea:

I was shocked to see many of the same buildings still in use that had been considered old, dilapidated and outdated when I served there as an armor first sergeant in the late 1980s. Even more shocking was the obvious fact that little money had been spent on upkeep and renovation. Money put toward repairing the damage from the widespread flooding of 1998 has helped out on some posts, but I can tell you we have a ways to go toward getting soldiers the facilities they deserve there.

U.S. Forces Korea considers 1,157 units in the current inventory of family housing as substandard because of inadequate size, age, high-density living conditions, or because they do not meet force protection standards. (See Appendix 3) The command estimates that the significant shortfall in available family housing forces too many families onto the economy, where they find their housing allowance is too low to rent quality housing. Servicemembers on unaccompanied tours report to their families back home about intolerable conditions in many barracks. Tales of old plumbing and crumbling ceilings are featured in emails and phone calls home. Unaccompanied tours involve sacrifice by all members of the military family. How can the family view that sacrifice as valued by the nation when the servicemember must live in substandard housing?

NMFA hopes that the ongoing maintenance and repair needs of both family housing and installation facilities are not ignored. NMFA continues to hear from families about long waits for routine maintenance calls, poorly done repairs, and unsafe conditions in some housing. Families ask that maintenance accounts not be continually raided to fund other programs even though they know this is likely to happen in times of budget stresses. For example, the commander in chief of the U.S. Atlantic Fleet, Adm. Robert Natter, was recently quoted in the *Stars and Stripes* (Feb. 17, 2001) about his plans to use money set aside for repairs, housing, roads, and plans to pay for force protection measures: “I saw no

alternative than to take money from somewhere else and spend it on force protection.” Families want servicemembers to be well-protected when they go in harm’s way, but wonder why the only place funds for needed missions are often found is in installation repair and maintenance accounts.

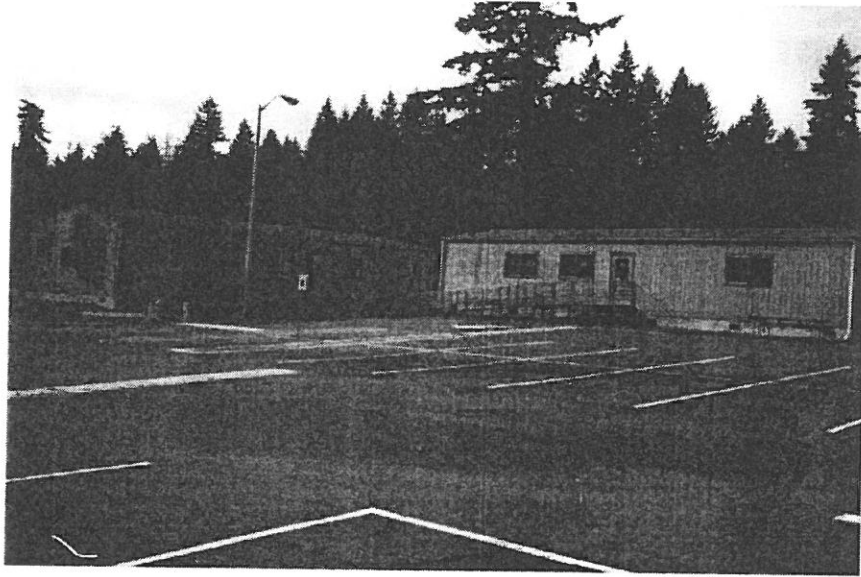
The Military Community—Ready to Meet the Mission

Members of the uniformed services are doing the nation’s work. They ask the nation to give them the tools they need to be ready for that work: equipment, training, and leadership. They also look to the nation for recognition that their job is not a nine to five one and that it involves their families in ways few other jobs demand. Military members and their families want the nation to understand that the military family drives the retention decision, that the family’s quality of life is a readiness requirement, and that even a community as strong as the military community will fall apart if it is asked to do too much with too little for too long.

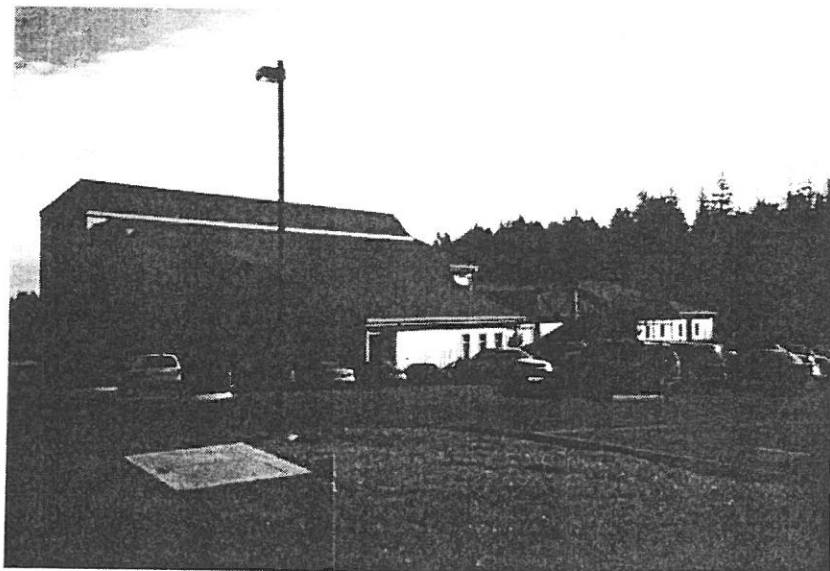
With gratitude for your help in the past, NMFA asks you to maintain your support for the military families we represent. Repair and maintenance accounts cannot be raided to the extent military families are forced to live in substandard and even dangerous situations. Privatization initiatives should be carefully constructed to benefit families, the government, and the local community. The military community is not just bricks and mortar. It is the stabilizing force that enables military families to survive and thrive. Your continued help is needed to keep that community strong.

Appendix 1: Thank You!

In 1996, 1997, 1998, and 1999, NMFA testified on the need for a community building for the families at the Puget Sound Naval Shipyard, WA. The Family Service Center annex and the chaplains shared two portable buildings with limited capacity for programs (below).

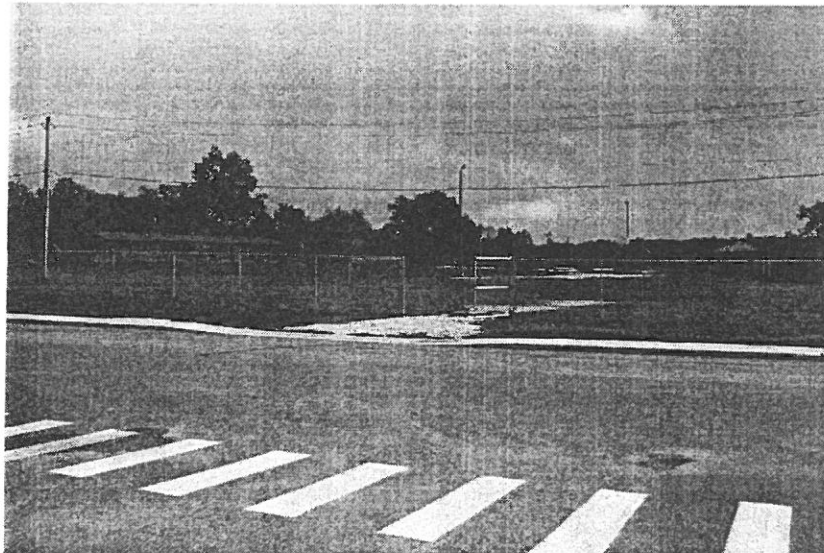
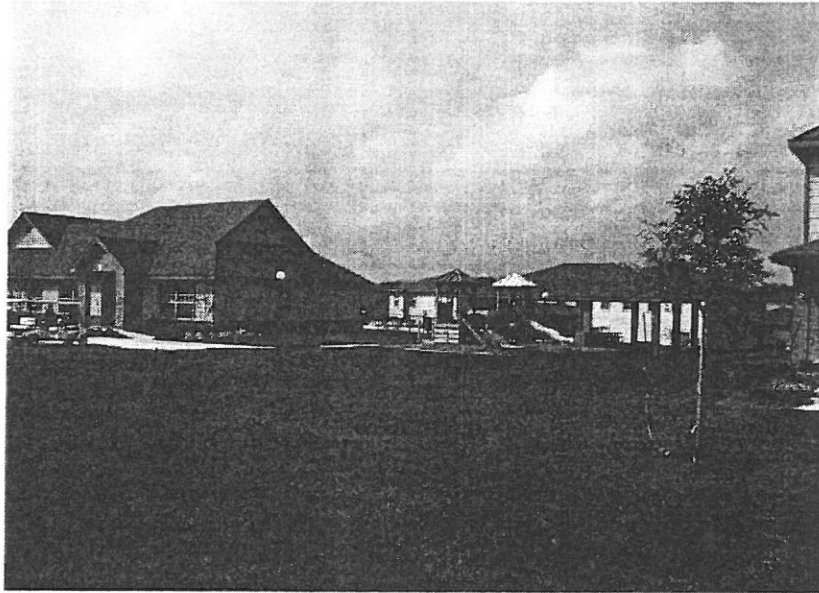


In 1999, this Subcommittee allocated funding for a new community building. The community celebrated the grand opening of the Jackson Park Community Support Facility, a combination Family Service Center and Chapel, on December 12, 2000. In gratitude to the Subcommittee for making this wonderful facility possible, the families of the Puget Sound Naval Shipyard and NMFA say "Thank You!"



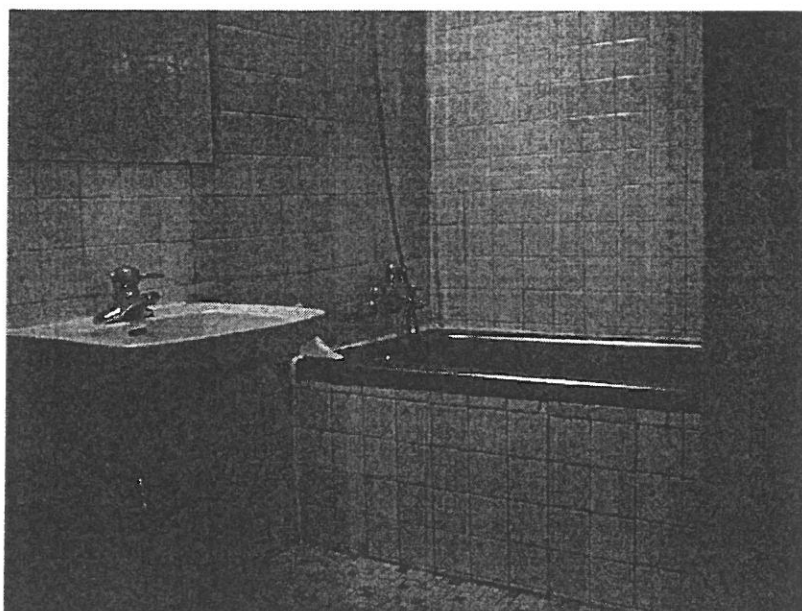
Appendix 2: Privatized Housing, Lackland AFB

Several hundred enlisted servicemembers and their families have moved into the first phase of housing privatization at Lackland AFB, TX. The housing community includes such amenities as tot lots and a community center with a swimming pool. Across the road from the new housing is an older family housing area, not yet privatized. Although families from the privatized housing can go through the fence to use the playground serving the old housing, families from the old housing may not use the new community center or its facilities. What does this say about the state of the community?



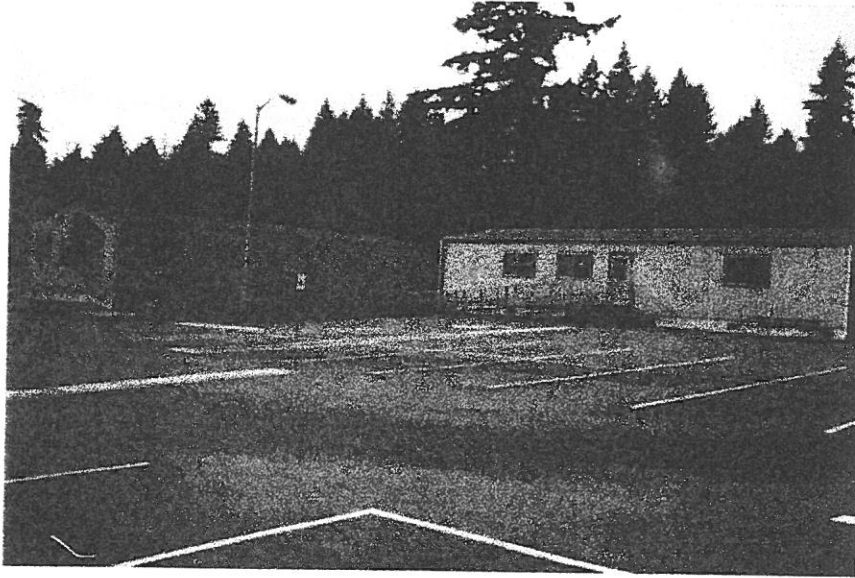
Appendix 3: Hannam Village, Korea

Hannam Village in Seoul contains 681 units of military family housing in 10 buildings on 14 acres of land. Rented by the U.S. from the Korea National Housing Corporation, the housing represents what the Command calls “the greatest family housing challenge in Seoul.” The ten buildings making up the village have little green space surrounding them. The area around Hannam Village is congested, causing a difficult commute to the installation. Some families and their commanders refer to the prison-like atmosphere of the buildings as one of the main reasons why renovation is needed.

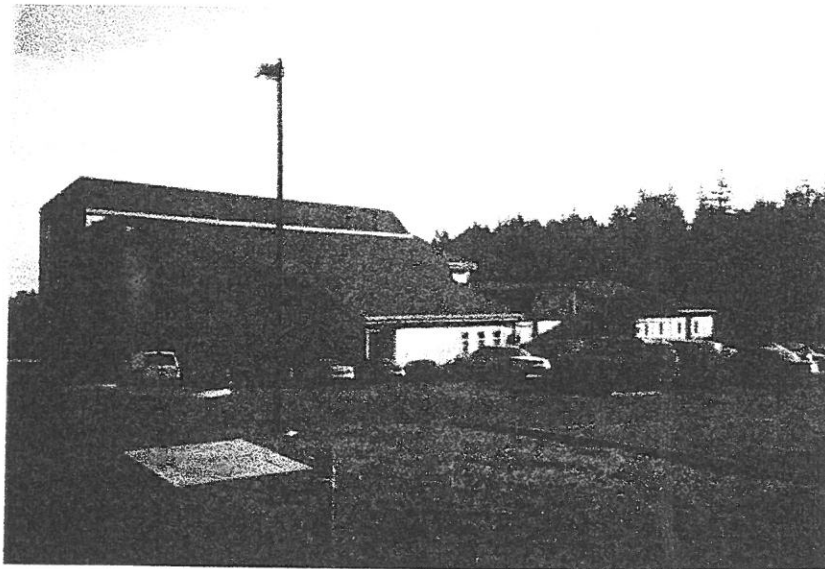


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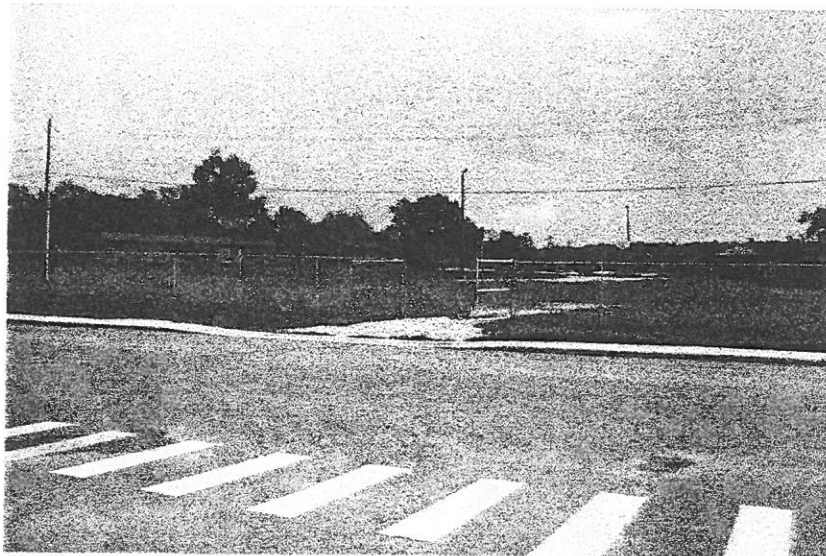
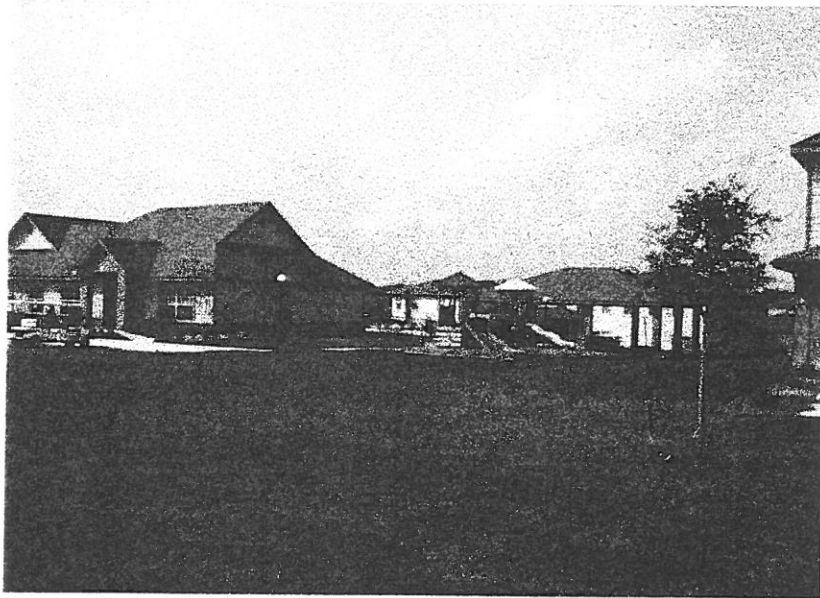


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